

### **III. Remarks**

Applicants have reviewed the Office Action of February 25, 2005.

#### **A. Invention**

The present invention is generally directed to a system and method of operating a debt card reward program that generates a reward for the cardholder based upon purchases made with the debit card.

#### **B. Amendments**

Independent claims 1, 23, 40, 63, 87, and 88 have been amended to recite a rewards program that offers rewards based on a “theme comprising a plurality of items offered by a plurality of providers, wherein each item comprises at least one of a good and a service, and each provider comprises at least one of a merchant and a service provider.” The concept of a theme has previously been claimed in claims 11, 51, 62, 70-72, and 84. The specification provides support for the concept of a rewards program based on a theme:

[I]n the case of a merchant partner who desires to increase sales of a particular type of goods, an increased reward may be accrued for purchases of the selected goods at that merchant. The reward may be redeemable...only by purchasing those selected goods at a future time....

Additional partners may join the program, providing a reward for a broader spectrum of goods and services. A partner may define a theme that is consistent with that partner's business plan or mission, such as a “healthy lifestyle” theme for a health advocacy organization. Rewards may be accrued based upon the purchase of certain thematic goods and services, such as healthy foods, health club memberships and exercise equipment.

Specification, pages 4-5.

Dependent claims 1, 8-11, 13-21, 23, 29-38, 40, 51, 52, 54, 55, 58-61, 63, 66, 69, 87, and 88 have also been amended. Most of the dependent claim amendments were made to conform to the amendments to the independent claims. Claims 89-108 have been added. Claims 13, 20, 30, 55 have been cancelled.

In sum, claims 1-12, 14-19, 21-29, 31-54, and 56-108 are currently pending.

#### **C. Rejection of Claims**

Claims 1-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,222,914 to McMullin (“McMullin”).

McMullin discloses a system and method for administration of an incentive award program wherein award points are earned in response to purchases of a Sponsor's goods or services made by the debit card user. The Sponsor is defined as an entity that "makes recurring charges to their customers," such as utility companies. (McMullin, col. 5, lines 62-64.) Further, the Sponsor must have a contractual relationship with the debit card user. (McMullin, col. 3, lines 45-48.) McMullin requires the debit card user to remain a customer of the Sponsor for a period of time after earning the rewards. (McMullin, col. 5, lines 48-55.) The goal and purpose of McMullin is to increase customer loyalty to a Sponsor by rewarding users as long as they are still customers of the Sponsor and are still in good standing with the Sponsor. For this reason, the award points earned by a debit card user will not be awarded unless a user is still in good standing and a current customer of the Sponsor. In fact, the earned rewards will be forfeited if the debit card user is no longer a customer of the Sponsor. (McMullin, col. 5, lines 33-36.)

The purpose of the present invention, however, is to benefit the issuer of the card (i.e., the financial institution) by promoting increased usage. Accordingly, the present invention, which rewards usage of the debit card regardless of whether the user is still a customer in good standing, is patentably distinguishable from McMullin.

As amended, claim 1 (and also 23, 40, 63, 87, and 88) recite a "theme comprising a plurality of items offered by a plurality of providers, wherein each item comprises at least one of a good and a service, and each provider comprises at least one of a merchant and a service provider." Claims depending therefrom incorporate this feature by reference. While McMullin may disclose earning rewards related to long distance telephone purchases, McMullin does not disclose earning rewards based on a theme that comprises a plurality of goods and/or services. McMullin also does not disclose a rewards program involving multiple merchants associated with reward-earning behaviors. Instead, McMullin discloses only a single Sponsor and a single product for which rewards may be accrued.

In fact, McMullin's reward program is incompatible with multiple different merchants because it requires a single Sponsor on whose behalf the reward program is managed. McMullin defines a "Sponsor" as "the sponsoring company who has acquired the services of the incentive agency to administer their incentive program through use of the credit card issued by the Bank." McMullin Patent, col. 3, lines 36-38. In McMullin's one-entity model, the Sponsor merely charges user purchases to the user's credit card account. Such a simple, single-entity model does not have the flexibility necessary to manage rewards that can be earned through purchases of a plurality of designated products from a plurality of designated merchants. In contrast, embodiments of the present invention contemplate that a

centralized bank entity will manage a comprehensive rewards program involving multiple products and multiple merchants. Embodiments of Applicant's rewards program may involve:

transaction processing networks [that] are commonly used at a broad variety of merchants including: retail stores, gasoline stations, restaurants and eating establishments, health care facilities, entertainment and sporting events, professional offices, on-line retailers, [and] transportation and travel providers. As is known in the art, each of these processing methods has different flow paths of the payment information, different input and output fields and is processed differently at the issuing financial institution. Depending on the flow of the transaction, there are different values associated with the transactions as well as different levels of security for the cardholder and the merchant and payment surety for the merchant.

Specification, page 22. McMullin's single-entity rewards program would not be able to accrue and manage rewards based on such disparate transaction data from different retailers.

In addition, the "plurality of providers" of the present invention are not synonymous with a "Sponsor" as defined by McMullin. While a Sponsor must have a contractual relationship with a customer (McMullin, col. 3, lines 45-48), the "plurality of providers" as contemplated in the present application do not. McMullin explicitly states that rewards are forfeit if the customer is no longer a customer of the Sponsor. By this test, no rewards would be earned through purchases from any of the merchants because there is no continuing relationship between the user and the merchants. Thus, McMullin does not disclose or suggest a "plurality of providers" as recited in claim 1.

Furthermore, the modification of McMullin, which would be necessary to establish a *prima facie* case of obviousness, impermissibly changes its principles of operation. As noted above, no rewards would be earned from the plurality of merchants and service providers because there is no continuing relationship between the user and those entities. Accordingly, the McMullin patent would be inoperative and unsatisfactory for its intended purpose if it used the plurality of providers in place of a Sponsor.

For at least these reasons, Applicant respectfully requests that the instant rejection of claims 1-22 be withdrawn.

#### **D. Rejection of Claims**

Claims 23-87 stand rejected under 35 U.S.C. § 102(e) as being anticipated by McMullin. The teachings of the McMullin patent are described above. A claim is anticipated only if each and every element of the claim is found, either expressly or inherently, in a single prior art reference. See *Verdegaal Bros. v. Union Oil of California*, 814 F.2d 628, 631 (Fed. Cir. 1987).

McMullin fails to anticipate claims 23-87 for substantially the reasons described above for claim

1. Like claim 1, claims 23, 40, 63, 86, and 87 have been amended to recite a “theme comprising a plurality of items offered by a plurality of providers.” The claims depending therefrom incorporate this feature by reference. McMullin does not disclose or suggest a theme, nor the designation of a theme. Nor does McMullin disclose or suggest a plurality of merchants and service providers that enable reward-earning behaviors.

In addition, claim 63 recites “defining selected parameters of information regarding each purchase made by the user; predetermining levels of the selected parameters; capturing information regarding each purchase made by the user including, at least in part, information concerning the selected parameters; comparing the captured information to predetermined levels; [and] calculating a reward based, at least in part, on the comparison of the captured information to the predetermined levels.” McMullin does not disclose or suggest these recitations.

In regard to claim 63, the Office action applies McMullin’s “monthly” reward calculations to teach the various actions involving “levels” that can be “predetermin[ed]” for “selected parameters.” McMullin simply does not disclose any of these actions taking place. For instance, McMullin does not disclose the act of “comparing the captured information to predetermined levels.” If a defined parameter is “monthly” as asserted by the Office action, it is unclear how McMullin discloses or suggests the idea of “comparing...captured information [about each purchase] to predetermined levels” of the parameter “monthly,” as recited by the claim in the asserted context. Applicant respectfully submits that this rejection is not proper and requests the Examiner to clarify this rejection.

In addition, McMullin fails to teach various dependent claim recitations.

For instance, claim 64 recites that the “information is captured at the point of sale.” Because McMullin’s rewards program is designed for use with utility companies such as long distance providers, which typically do not communicate point-of-sale transaction directly to credit card companies, it is unlikely that the reward calculation uses information captured at a point of sale. In fact, McMullin discloses that the “Sponsor bill[s] the Participant’s long-distance telephone charges directly to the credit card.” This does not suggest a point-of-sale credit card transaction.

Claim 66 recites that “the parameter is the identity of the items purchased.” McMullin is directed to purchases made from a Sponsor -- that is, *all* purchases from a particular Sponsor. McMullin does not appear to disclose using the identity of goods purchased as a basis for the reward.

McMullin similarly fails to disclose that a parameter can be “the identify of a manufacturer who markets the items” as recited in claim 69.

McMullin similarly fails to disclose the act of “cooperating with a partner to select manufacturers” and “merchants” that are “consistent with a theme” as recited in claims 71 and 72, respectively.

Accordingly, for at least the reasons described above, Applicant respectfully requests that the instant rejection of claims 23-87 be withdrawn.


**VI. Conclusion**

For all the reasons set forth above, it is respectfully submitted that all outstanding rejections have been overcome or rendered moot. Further, all pending claims are patentably distinguishable over the prior art of record. All amendments are supported by the specification and claims as originally filed. Applicants accordingly submit that these claims are in a condition for allowance. Reconsideration and allowance of all claims are respectfully requested.

Authorization is hereby granted to charge or credit the undersigned's Deposit Account No. 50-0206 for any fees or overpayments related to the entry of this Amendment, including any extension of time fees and new claims fees.

Respectfully submitted,

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